



CITY OF DURHAM | DURHAM COUNTY
NORTH CAROLINA



Date: March 16, 2015

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: Steven L. Medlin, AICP, Planning Director

Subject: Coordinated Annexation Agenda Item for Brier Creek Assemblage

Executive Summary. A request for utility extension agreement (EA), voluntary annexation, and an initial zoning has been received from M/I Homes for the Brier Creek Assemblage project. The site is located at 507 Andrews Chapel Road north of Del Webb Arbors Drive and south of Leesville Road (Please see Attachment 1 for a project area context map).

The requested annexation (case BDG1400003) is for 114.98 non-contiguous acres. If approved, the annexation would be effective on March 31, 2015.

The initial zoning (case Z140009A) involves the translation of RR zoning from Durham County jurisdiction and R-4 and CUD-TD zoning from City of Raleigh jurisdiction to the RR zoning district in the City of Durham's jurisdiction. City policy is to apply the least intense residential zoning to newly annexed property based on the Development Tier and size of the lot. The RR district is the least intense residential zoning district permitted in the Suburban Tier and all four (4) subject lots meet the minimum lot size requirement of 30,000 square feet. An initial zoning designation of RR would allow up to 132 residential units. The RR district is not consistent with the adopted Future Land Use Map, which designates this site as Low-Medium Density Residential (4-8 DU/Ac.), Commercial, and Recreation and Open Space but is in the public interest given the City's policy for newly annexed property.

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and the existing sanitary sewer and water mains adjacent to the property have capacity for the proposed development. No offsite improvements will be required, other than extension of sewer and water service to the site.

Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue-positive the fourth year following annexation.

Two motions are required for this item. One motion, with three sub-components, is required by law to approve the utility extension agreement, voluntary annexation petition, and initial zoning. A second motion is required adopting a consistency statement as required by GS 106A-383.

Recommendation. Staff recommends that Council approve the EA, voluntary annexation, and initial zoning.

Issues and Analysis. This request involves three separate items: utility extension agreement, voluntary annexation, and initial zoning. Each item will be reviewed below:

Utility Extension Agreement

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and the existing sanitary sewer and water mains adjacent to the property have capacity for the proposed development. No offsite improvements will be required, other than extension of sewer and water service to the site.

Voluntary Annexation Petition

The staff is requesting the Council conduct a public hearing and consider annexation of the subject property (case BDG1400003) with an effective date of March 31, 2015. The public hearing will be held in compliance with N.C. General Statute 160A-58.

Annexation would require the provision of City services to the subject property. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

Zoning Map Change

The applicant is requesting a zoning map change from RR (County jurisdiction) and R-4 and CUD-TD (City of Raleigh jurisdiction) to RR (City jurisdiction) (case Z1400009A) for a maximum of 132 single-family residential units. The RR district is not consistent with the adopted Future Land Use Map, which designates this site as Low-Medium Density Residential (4-8 DU/Ac.), Commercial, and Recreation and Open Space but is in the public interest given the City's policy for newly annexed property. The Planning Commission voted to recommend approval, 13-0 on September 9, 2014; written comments are provided with Attachment 9.

Financial Impact. The gas and electric franchise tax has been eliminated and replaced with a state sales tax that is to be shared with cities. Due to these tax reform changes the calculation related to sales tax projections for the purpose of this exercise has updated. Previously, cost-benefit impacts calculated sales tax based on prior year-end actuals with a cost inflator of two-percent. Since historical information is not yet available, cost-benefit impacts for FY15 will use the Adopted sales tax amount for calculation purposes. Once the first year has been collected, the calculation will return to using the prior year-end actual with an inflator.

The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2019-20 is \$304,574. The estimated annual General Fund expenditures associated with providing City services at build out is \$154,651. The estimated annual General Fund net gain to the City at build out is \$149,923. The cumulative estimated net gain to the City at build out is \$316,987. Please note that Impact Fee revenues are not included in the General Fund revenue estimates but are included in the cumulative net gain.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses.

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The chart below contains additional details regarding projected departmental revenue and expense projections.

Department/Type	Revenues	Expenses
Emergency Communications	No revenues anticipated	No additional expenses are anticipated
Fire	No revenues anticipated because development is residential	No additional expenses with the completion of Fire Station 17
Fleet Management	No revenues anticipated	No additional expenses are anticipated
Inspections	The total street impact fees are \$155,496 with the following breakdown: Parks and Recreation - \$56,100 Open Space - \$29,304 Street Impact - \$70,092 There are no anticipated developer credits for the street impact fees.	No additional expenses are anticipated
Parks & Recreation	No revenues anticipated	No additional expenses are projected. Area has current services but some are at or near capacity. There are some parks within three miles of the proposed site that potentially can address increased population.
Planning	Total development review fees collected are \$11,500 for this project.	No additional expenses are anticipated
Police	No additional revenues are anticipated	Annual costs for additional coverage area are anticipated at \$71,040 at the completion of the build out. This annexation will only require a portion of an FTE.
Public Works	The anticipated revenues will be approximately \$1,617 at the project build out. These revenues are the prorated utility cut reimbursements based on the linear feet of streets that will be added due to this annexation.	General fund costs associated with street maintenance are expected to be \$43,777 at build out. Costs associated with stormwater will be covered by stormwater fees.

Solid Waste	Anticipated revenues estimate 34 new yard waste customers at build out. This will generate \$3,060 in yard waste subscription fees annually. Revenues associated with the recycling rebate are estimated to be \$644.	One-time expenses include the cost of solid waste and recycling carts for 132 single family homes (\$10,434 over the build out period). The one-time cost for yard-waste carts for the estimated 34 customers is \$2,068. The department anticipates ongoing operating costs associated with residential collections, recycling and yard waste to be \$27,176 annually at build out.
Transportation	Minor revenues are estimated from the Powell Bill reimbursements at \$668 annually. In addition, the paratransit service will generate \$225 annually at build out with the assumption of 132 trips annually.	Anticipated expenses include: 107 100-watt street lights, 20 250-watt street lights, 40 traffic control signs, 20 street name markers, and pavement markings. The expenses are estimated at \$39,283 annually once street lights have fully transitioned from the developer to the City (three years) after build out is complete. Paratransit services are anticipated to cost \$2,919 each year.
Water Management	No general fund revenues anticipated	No general fund expenses are anticipated. Any expenditures will be covered by fees collected.

Alternative. Deny the EA and voluntary annexation petition. No action would be required or authorized on the initial zoning.

SDBE Summary. This item has no known SDBE impact.

Attachments

Attachment 1:	Context Map
Attachment 2:	Future Land Use Map
Attachment 3:	Aerial Map
Attachment 4:	Utility Extension Agreement
Attachment 5:	Utility Life Cycle Costs
Attachment 6:	Cost/Benefit Analysis
Attachment 7:	Legal Description
Attachment 8:	Clerk Certification
Attachment 9:	Planning Commission Written Comments
Attachment 10:	Annexation Ordinance

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Attachment 11: Zoning Map Change Ordinance
Attachment 12: Consistency statement